

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1458

Short Title: Capital Needs Bond Bill.

(Public)

Sponsors: Representatives Jack Hunt, Ramsey; Alphin, Black, Bowman, Church, Colton, Culpepper, Gamble, Judy Hunt, R. Hunter, Ives, James, Joye, Lee, Luebke, Lutz, G. Miller, Nesbitt, Redwine, Rogers, Smith, and Wilmoth.

Referred to: Finance.

May 17, 1993

A BILL TO BE ENTITLED

1
2 AN ACT TO AUTHORIZE THE ISSUANCE OF ONE BILLION FOUR HUNDRED
3 EIGHTY-SEVEN MILLION DOLLARS IN GENERAL OBLIGATION BONDS
4 OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF
5 THE STATE, TO PROVIDE FUNDS THROUGH LOANS TO LOCAL
6 GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER
7 COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND
8 PUBLIC SCHOOL AND COMMUNITY COLLEGE FACILITIES, AND TO
9 STATE DEPARTMENTS, AGENCIES, AND INSTITUTIONS FOR HIGHER
10 EDUCATION FACILITIES, AND CONSTRUCTION AND RENOVATION OF
11 STATE BUILDINGS.

12 The General Assembly of North Carolina enacts:

13 Section 1. Short title. This act shall be known and may be cited as the
14 "North Carolina Public Facilities and Infrastructure Bond Act of 1993".

15 Sec. 2. Purpose. It is the intent and purpose of the General Assembly by this
16 act to provide for the issuance of one billion four hundred eighty-seven million dollars
17 (\$1,487,000,000) in general obligation bonds of the State, and to provide that the
18 proceeds realized from the sale of the bonds shall be allocated as follows:

19 One hundred fifty million dollars (\$150,000,000) to provide loans to local
20 government units to assist in the financing of the cost of improvements, enlargements,
21 extension, and reconstruction of water supply systems, wastewater collection systems,
22 and wastewater treatment works, and the construction of new such systems and works.

1 Loans shall be made only to those local government units that are eligible for and that
2 qualify for loans from the Clean Water Revolving Loan and Grant Fund established in
3 Chapter 159G of the General Statutes.

4 The funds to be derived from the sale of the bonds authorized by this act are
5 sufficient to meet no more than a fraction of the water and sewer needs which now exist
6 and will arise in the immediate future. For this reason, although public necessity and
7 the criteria established by Chapter 159G of the General Statutes shall be the primary
8 consideration in granting and loaning funds, great emphasis shall also be placed on: (i)
9 the creation of efficient systems of regional wastewater disposal and regional water
10 supply and (ii) the willingness and ability of local government units to meet their
11 responsibilities through sound fiscal policies, creative planning, and efficient operation
12 and management.

13 Six hundred million dollars (\$600,000,000) to provide loans to local
14 government units to assist in the financing of the costs of improvements, enlargements,
15 extension, and rehabilitation of existing public school facilities and the construction of
16 new facilities. Loans shall be made only to those local government units that are
17 eligible for and that qualify for loans from the Public School Facilities Bonds Fund
18 established under rules adopted by the State Board of Education.

19 Two hundred eighty-nine million dollars (\$289,000,000) to provide loans to
20 local government units to assist in the financing of the costs of improvements,
21 enlargements, extension, and rehabilitation of existing community college facilities and
22 the construction of new facilities. Loans shall be made only to those local government
23 units that are eligible for and that qualify for loans from the Community College
24 Facilities Bond Fund under rules adopted by the State Board of Community Colleges.

25 Two hundred ninety-eight million dollars (\$298,000,000) for higher
26 education facility needs. Loans shall be made only to those projects that qualify under
27 rules adopted by the Board of Governors of The University of North Carolina.

28 One hundred fifty million dollars (\$150,000,000) for construction and
29 renovation of State buildings that qualify under rules adopted by the Secretary of the
30 Department of Administration.

31 Sec. 3. Definitions. As used in this act, unless the context otherwise
32 requires:

- 33 (1) " Bonds" means bonds issued under this act.
- 34 (2) " Clean Water Revolving Loan and Grant Act" means Chapter 796 of
35 the 1987 Session Laws, as the same may be amended from time to
36 time, codified as Chapter 159G of the General Statutes.
- 37 (3) " Clean Water Revolving Loan and Grant Fund" means the Clean
38 Water Revolving Loan and Grant Fund as defined in the Clean Water
39 Revolving Loan and Grant Act.
- 40 (4) " Cost" means, without intending thereby to limit or restrict any proper
41 definition of this term in financing the cost of facilities or purposes
42 authorized by this act:

- 1 a. The cost of constructing, reconstructing, enlarging, acquiring,
 2 and improving facilities, and acquiring equipment and land
 3 therefor,
 4 b. The cost of engineering, architectural, and other consulting
 5 services as may be required,
 6 c. Administrative expenses and charges,
 7 d. The cost of bond insurance, investment contracts, credit
 8 enhancement and liquidity facilities, interest-rate swap
 9 agreements or other derivative products, financial and legal
 10 consultants, and related costs of bond and note issuance, to the
 11 extent and as determined by the State Treasurer, and
 12 e. Any other costs and expenses necessary or incidental to the
 13 purposes of this act.

14 Allocations in this act of proceeds of bonds to the costs of a project or
 15 undertaking in each case may include allocations to pay the costs set
 16 forth in items c., d., and e. in connection with the issuance of bonds for
 17 the project or undertaking.

- 18 (5) "Credit facility" means an agreement entered into by the State
 19 Treasurer on behalf of the State with a bank, savings and loan
 20 association, or other banking institution, an insurance company,
 21 reinsurance company, surety company, or other insurance institution, a
 22 corporation, investment banking firm, or other investment institution,
 23 or any financial institution or other similar provider of a credit facility,
 24 which provider may be located within or without the United States of
 25 America, such agreement providing for prompt payment of all or any
 26 part of the principal or purchase price (whether at maturity,
 27 presentment or tender for purchase, redemption or acceleration),
 28 redemption premium, if any, and interest on any bonds or notes
 29 payable on demand or tender by the owner, in consideration of the
 30 State agreeing to repay the provider of the credit facility in accordance
 31 with the terms and provisions of such agreement.
- 32 (6) "Local government units" means local government units as defined in
 33 the Clean Water Revolving Loan and Grant Act.
- 34 (7) "Notes" means notes issued under this act.
- 35 (8) "Par formula" means any provision or formula adopted by the State to
 36 provide for the adjustment, from time to time, of the interest rate or
 37 rates borne by any bonds or notes, including:
- 38 a. A provision providing for such adjustment so that the purchase
 39 price of such bonds or notes in the open market would be as
 40 close to par as possible,
 41 b. A provision providing for such adjustment based upon a
 42 percentage or percentages of a prime rate or base rate, which
 43 percentage or percentages may vary or be applied for different
 44 periods of time, or

1 c. Such other provision as the State Treasurer may determine to be
2 consistent with this act and will not materially and adversely
3 affect the financial position of the State and the marketing of
4 bonds or notes at a reasonable interest cost to the State.

5 (9) " State" means the State of North Carolina.

6 (10) " Wastewater collection systems" means wastewater collection
7 systems as defined in the Clean Water Revolving Loan and Grant Act.

8 (11) " Wastewater treatment works" means wastewater treatment works as
9 defined in the Clean Water Revolving Loan and Grant Act.

10 (12) " Water Pollution Control Revolving Fund" means the fund described
11 by G.S. 159G-4(a) and G.S. 159G-5(c).

12 (13) " Water supply systems" means water supply systems as defined in the
13 Clean Water Revolving Loan and Grant Act.

14 Sec. 4. Authorization of bonds and notes. Subject to a favorable vote of a
15 majority of the qualified voters of the State who vote on the questions of issuing bonds
16 in the election called and held as hereinafter provided, the State Treasurer is hereby
17 authorized, by and with the consent of the Council of State, to issue and sell, at one time
18 or from time to time, general obligation bonds of the State with such designations as
19 may be determined to indicate the issuance of bonds from time to time, or notes of the
20 State as herein provided, in an aggregate principal amount not exceeding one billion
21 four hundred eighty-seven million dollars (\$1,487,000,000) for the purpose of providing
22 funds, with any other available funds, for the purposes authorized in this act.

23 Sec. 5. Use and allocation of bond and note proceeds. (a) Loans for water and
24 sewer. The sum of one hundred fifty million dollars (\$150,000,000) of the proceeds of
25 bonds and notes shall be used and allocated for loans to local government units for the
26 same purposes for which funds in the Clean Water Revolving Loan and Grant Fund may
27 be used. Repayments of the loans may be used to pay, directly or indirectly, debt
28 service on the bonds and notes issued. Repayments shall be placed initially into such
29 fund or account as may be determined by the State Treasurer for the purpose of
30 determining compliance with applicable requirements of the federal tax law and shall be
31 expended therefrom under the direction and supervision of the Director of the Budget.

32 The loans shall be made for the purpose of paying the cost of water supply
33 systems, wastewater collection systems, and wastewater treatment works. The proceeds
34 may be used to make loans directly to local government units qualifying for a loan from
35 the Clean Water Revolving Loan and Grant Fund or used in such other manner as shall
36 effectuate the purposes of this act. The proceeds of bonds and notes shall be allocated
37 between wastewater and water supply purposes in the same percentages as established
38 in G.S. 159G-4, except that no allocation shall be made as a State match of any federal
39 funds deposited into the Water Pollution Control Revolving Fund.

40 The proceeds of bonds and notes, including premium thereon, if any, except
41 the proceeds of bonds the issuance of which has been anticipated by bond anticipation
42 notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer
43 in a special fund to be designated the "State Clean Water Bonds Fund", which may

1 include such appropriate special accounts therein as may be determined by the State
2 Treasurer, and shall be disbursed as provided in this act.

3 (b) Loans for public school facilities and improvements. The sum of six hundred
4 million dollars (\$600,000,000) of the proceeds of bonds and notes shall be used and
5 allocated for loans for public school facility costs.

6 The proceeds of bonds and notes, including premium thereon, if any, except
7 the proceeds of bonds the issuance of which has been anticipated by bonds anticipation
8 notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer
9 in a special fund to be designated the "Public Schools Facilities Bonds Fund", which
10 may include such appropriate special accounts therein as may be determined by the
11 State Treasurer, and shall be disbursed as provided in this act.

12 (c) Loans for community college facilities. The sum of two hundred eighty-nine
13 million dollars (\$289,000,000) of the proceeds of bonds and notes shall be used and
14 allocated and used for loans from the Community College Facilities Bonds Fund to
15 counties for community college facility costs.

16 The proceeds of bonds and notes, including premium thereon, if any, except
17 the proceeds of bonds the issuance of which has been anticipated by bonds anticipation
18 notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer
19 in a special fund to be designated the "Community College Facilities Bonds Fund",
20 which may include such appropriate special accounts therein as may be determined by
21 the State Treasurer, and shall be disbursed as provided in this act.

22 In selecting the projects for which loans from the Community College
23 Facilities Bonds Fund shall be made, the State Board of Community Colleges shall give
24 priority to the following projects:

25	26 COLLEGE	27 PROJECT NAME	28 PROJECTED	29 ALLOCATION
30	Alamance CC	Phase	11B-Science	Labs/Classrooms
31		\$3,059,855		
32		Phase	111-LRC	Expansion
33		2,000,000		
34	Anson CC	Advanced	Technology	Center
35		2,630,966		
36		LRC/Student		Center
37		2,500,000		
38	Union Cty.	Advanced	Technology	Center
39	2,500,000			
40				
41	Asheville-			
42	Buncombe TCC	Classroom/Lab/Office		Building
43	5,000,000			

1		LRC			Expansion
2		3,350,000			
3					
4	Beaufort County CC	Student	Services		Center
5		2,900,000			
6		Science/Fine	Arts	Classroom	Bldg.
7		2,500,000			
8					
9	Bladen CC	Allied	Health	Care	Center
10		1,015,472			
11		Child	Care		Center
12		447,045			
13					
14	Blue Ridge CC	Allied	Health		Building
15		5,000,000			
16		Center	for	Lifelong	Learning
17		2,932,658			
18	Transylvania				Cty.
19	Classroom/Office				Bldg.
20	502,225				
21					
22	Brunswick CC	Allied		Health/Classroom	
23		4,000,000			
24		Vocational	Building		Renovations
25		450,000			
26					
27	Caldwell CC & TI	Classroom/Lab			Building
28		5,000,000			
29		Addition & Renov. Class/			
30		Library			Bldg.
31		3,190,290			
32	Watauga Cty.	Classroom/Lab			Bldg.
33	2,261,539				
34					
35	Cape Fear CC	Health	Sciences		Building
36		5,000,000			
37		LRC/Classroom			Building
38		2,500,000			
39	Pender Cty.	Classroom			Building
40	690,212				
41					
42	Carteret CC	Classroom/Student			Center
43		2,404,124			

1		Classroom				Building
2		1,580,188				
3						
4	Catawba Valley CC	Classroom/Lab				Building
5		4,218,275				
6		Physical		Ed/Classroom		Building
7		4,241,014				
8						
9	Central			Carolina		CC
10						
11	Classroom					Building
12						1
13	,894,438					
14		Renovation	of	Main	Bldg.	& Library
15		1,120,000				
16	Chatham Cty.	Classroom				Building
17	2,000,000					
18	Harnett Cty.	Classroom				Building
19	1,000,000					
20						
21	Central			Piedmont		CC
22						
23	Science			Labs		Expansion
24						3
25	,950,000					
26		Regional Law Enforcement				
27		Trng.				Ctr.
28		3,620,000				
29						
30	Cleveland CC	Advanced		Technology		Building
31		2,213,022				
32		Allied		Health		Building
33		706,368				
34						
35						
36	Coastal			Carolina		CC
37						
38	Public	Service		Technology		Bldg.
39						3
40	,000,000					
41		Classroom				Building
42		2,500,000				
43						
44	College of the					

1	Albemarle	Classroom/Administration Bldg.	3,215,924		
2	Dare Cty.	Class/Lab/Student Services Bldg.	1,500,000		
3					
4	Craven CC	Academic	Studies/Basic	Skills	Bldg.
5		2,790,276			
6		Classroom/Lab-Havelock			
7		1,280,000			
8					
9	Davidson County CC	Advanced	Technology		Building
10		3,875,000			
11		Campus	Development		Project
12		1,175,000			
13	Davie Cty.	Class/Lab/Instructional		Support	Bldg.
14	1,980,000				
15					
16	Durham TCC	Classroom/Office			Building
17		5,000,000			
18		Classroom/Lab			Building
19		1,435,000			
20					
21	Edgecombe CC	Class/Lab	Addition-Rocky		Mount
22		1,200,000			
23		Shop	Building	Renovation-Tarboro	
24		264,762			
25					
26	Fayetteville TCC	Literacy	& Continuing	Education	Bldg.
27		5,000,000			
28		Renov.	Two	Classroom	Bldgs.
29		1,797,411			
30					
31	Forsyth TCC	Class/Lab/Admin.	-	East	Campus
32		5,000,000			
33		Campus			Renovations
34		3,100,000			
35					
36	Gaston College	Work	Force	Preparedness	Center
37		5,000,000			
38		Student/Community			Center
39		2,385,257			
40					
41	Guilford TCC	Applied	Technology		Building
42		5,000,000			
43		Classroom			Building
44		5,000,000			

1					
2	Halifax CC	Literacy	Ed/Science		Building
3		2,008,592			
4		Renovations	Existing	Bldg/Parking	Areas
5		490,000			
6					
7	Haywood CC	High-Tech	Center		Expansion
8		300,000			
9		Classroom			Building
10		1,100,000			
11					
12	Isothermal CC	Continuing	Education		Center
13		5,000,000			
14		Campus			Renovations
15		125,000			
16	Polk Cty. Classrooms/Labs Addition	358,686			
17					
18	James Sprunt CC	Library/Cont.	Ed/Business	&	Industry
19		2,600,000			
20		Multipurpose			Center
21		2,408,406			
22					
23	Johnston CC	Allied	Health		Building
24		3,000,000			
25		Cafeteria/Student			Lounge
26		1,343,985			
27					
28	Lenoir CC	Renovations/Additions			
29		2,652,697			
30		Classroom/Auditorium			Bldg.
31		2,000,000			
32	Greene Cty.	New	Instructional		Facility
33	1,500,000				
34	Jones Cty.	New	Vocational		Annex
35	100,000				
36					
37	Martin CC	Equine			Arena
38		577,553			
39		Heating	&	Cooling	Renovations
40		350,000			
41	Bertie Cty.	Class/Lab/Office			Building
42	250,000				
43					

1	Mayland CC	Shop/Student	Lecture	Hall
2		4,037,566		
3		Classroom		Building
4		255,000		
5				
6	McDowell TCC	Renov.	Bookstore/Amphitheater/Mezzanine	
7		283,800		
8		Classroom		Building
9		1,900,000		
10				
11	Mitchell CC	Renovate	Main	Building
12		2,200,000		
13		Mooreville	Center	Addition
14		1,000,000		
15				
16	Montgomery CC	LRC		Building
17		2,592,709		
18				
19	Nash CC	LRC/Student		Center
20		4,409,179		
21		Center	for Business &	Industry
22		2,092,223		
23				
24	Pamlico CC	Multipurpose	Class/Office	Bldg.
25		1,177,503		
26				
27	Piedmont CC	Classroom/Faculty	Office	Bldg.
28		459,815		
29	Caswell Cty.	Adult	Learning	Center
30	1,300,000			
31				
32	Pitt CC	Student	Services	Building
33		4,500,000		
34		Multipurpose	Training	Facility
35		4,500,000		
36				
37	Randolph CC	Photography		Studio
38		1,017,500		
39		Allied	Hlth/Science & Tech	Center
40		2,308,128		
41				
42	Richmond CC	Fine	Arts	Ctr/Auditorium
43		2,251,414		

1		Student	Center/Classroom	Building
2		1,500,000		
3				
4	Roanoke-Chowan CC	Classroom/Student	Support	Center
5		2,549,087		
6		LRC	Expansion &	Renovations
7		200,000		
8				
9	Robeson CC	Emergency	Training	Grounds
10		855,387		
11		Teaching	Theaters/Allied	Hlth Classroom
12		1,430,228		
13				
14	Rockingham CC	Multipurpose		Building
15		2,700,000		
16		Fire	Service Training	Center
17		595,250		
18				
19	Rowan-Cabarrus CC	Engineering		Building
20		4,200,000		
21		Business		Building
22		1,790,378		
23	Cabarrus Cty.	Classroom		Building
24	1,573,312			
25				
26	Sampson CC	Multipurpose		Building
27		2,500,000		
28		Academic		Building
29		1,276,000		
30				
31	Sandhills CC	Cont.	Ed.	Center/Classrooms
32		5,000,000		
33		Physical	Education	Facility
34		2,011,280		
35				
36	Southeastern CC	Nursing/Allied	Health	Building
37		1,309,400		
38		Addition	& Renovation	of "G"Bldg.
39		896,070		
40				
41	Southwestern CC	Classroom	Renov./Expanded	Parking
42		700,000		
43		General	Classroom	Building
44		1,783,141		

1	Macon Cty.	Region	Law	Enf.	Defensive	Dr.	Course	
2	300,000							
3	Swain Cty.	Class/Lab/Office						Bldg.
4	600,000							
5								
6	Stanly CC	Learning			Resource		Center	
7		2,341,210						
8		Classroom					Building	
9		600,000						
10								
11	Surry CC	Health/Day			Care/Library		Building	
12		4,054,417						
13		Office/Cafeteria/Student				Ctr.	Bldg.	
14		1,000,000						
15								
16	Tri-County CC	Student	Services		Ctr.	Classroom	Bldg.	
17		1,123,010						
18		Childcare			Center/Classroom		Bldg.	
19		480,000						
20	Graham Cty.	Class/Lab/Study						Bldg.
21	480,000							
22								
23	Vance-Granville CC	Allied	Health/Day		Care/Classroom		Bldg.	
24		2,127,400						
25	Franklin Cty.	Class/Lab/Office						Building
26	1,500,000							
27	Granville Cty.	Additional						Classrooms
28	377,500							
29	Warren Cty.	Campus						Renovations
30	212,500							
31								
32	Wake TCC	Student			Education		Bldg.	
33		5,000,000						
34		Site					Acquisition	
35		3,000,000						
36								
37	Wayne CC	Classroom/Laboratory						Building
38		3,900,000						
39		Student	&		Telecommunications		Bldg.	
40		5,000,000						
41								
42	Western							
43	Piedmont CC	Class/Office			Bldg.	(Bus.	Tech.)	
44	3,420,168							

1		Class/Office	Bldg.	(Cont.	Ed.)
2		1,662,000			
3					
4	Wilkes CC	LRC-Student			Development
5		4,700,000			
6		Beacon	Building		Purchase
7		551,185			
8	Ashe Cty. Classroom Building	200,000			
9					
10	Wilson TCC	Multipurpose			Building
11		1,000,000			
12		Building I Renovation			
13	<u>175,000</u>				
14					
15	Total				
16					\$
17	289,000,000				
18					

19 (d) Loans for higher education facilities and improvements. The sum of two
 20 hundred ninety-eight million dollars (\$298,000,000) of the proceeds of bonds and notes
 21 shall be allocated and used for loans from the "Higher Education Facilities Bonds Fund"
 22 for higher education facilities costs.

23 The proceeds of bonds and notes, including premium thereon, if any, except
 24 the proceeds of bonds the issuance of which has been anticipated by bonds anticipation
 25 notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer
 26 in a special fund to be designated the "Higher Education Facilities Bonds Fund", which
 27 may include such appropriate special accounts therein as may be determined by the
 28 State Treasurer, and shall be disbursed as provided in this act.

29 In selecting the projects for which loans from the Higher Education Facilities
 30 Bonds Fund shall be made, the Board of Governors of The University of North Carolina
 31 shall give priority to the following projects:

32					
33	<u>Constituent Institution or Board of Governors Projected</u>				
34	<u>Capital Improvement</u>				<u>Allocation</u>
35	Appalachian State University				
36	Academic Support Services Building				\$
37	8,794,900				
38	Science/Mathematics	Complex,		Phase	I
39	15,000,000				
40					
41	East Carolina University				
42	Addition	to	Joyner		Library
43	28,900,000				
44	Land	5,000,000			

1						
2	Elizabeth City State University					
3	Fine Arts and	Mass	Communications		Building	
4	6,432,600					
5						
6	Fayetteville State University					
7	Fine	Arts			Building	
8	9,479,600					
9						
10	North Carolina A & T State University					
11	School of Technology		Classroom/Laboratory		Building	
12	7,961,900					
13	Renovation of	Bluford	Library		Building	
14	5,051,400					
15						
16	North Carolina Central University					
17	Conversion of Women's Gymnasium in Support of					
18	Academic				Programs	
19	1,970,900					
20	Chidley	Hall			Complex	
21	9,018,300					
22						
23	North Carolina School of the Arts					
24	School	of			Filmmaking	
25	6,999,200					
26						
27	North Carolina State University at Raleigh					
28	Engineering	Graduate	Research		Center	
29	34,918,200					
30	Agricultural		Communications		Building	
31	4,484,900					
32	Agricultural Programs	-	Laboratory	Animal	Facilities	
33	4,484,100					
34						
35	Pembroke State University					
36	New	Administrative	Office		Building	
37	5,723,300					
38	Repairs and Renovations to	Business	Administration		Building	
39	422,700					
40						
41	The University of North Carolina at Asheville					
42	Ramsey	Library			(Remodeling)	
43	3,974,400					

1 Physical Education Building (Health Promotion)
 2 5,475,600
 3 The North Carolina Arboretum
 4 2,500,000
 5
 6 The University of North Carolina at Chapel Hill
 7 New Building, School of Business Administration
 8 13,490,900
 9 Addition to Lineberger Cancer Research Center
 10 8,119,900
 11 Carolina Living and Learning Center for Autistic Adults, Phase II 1,190,400
 12 Addition to the School of Dentistry
 13 8,887,100
 14 Area Health Education Centers - Construction Grants
 15 3,370,800
 16
 17 The University of North Carolina at Charlotte
 18 Classroom and Academic Support Facility
 19 22,610,400
 20
 21 The University of North Carolina at Greensboro
 22 New Music Building
 23 23,357,000
 24
 25 The University of North Carolina at Wilmington
 26 Physical Sciences Building and Renovation of DeLoach Hall
 27 18,522,900
 28 Construct West Wing of Bear Hall and
 29 Renovate West End of Bear Hall
 30 992,050
 31
 32 Western Carolina University
 33 Completion of Belk Building and Asbestos Removal
 34 3,280,200
 35 Renovate Moore Hall, Phase II
 36 2,043,900
 37 Renovate Camp Lab School
 38 1,896,500
 39 Renovate Reid Gym
 40 2,379,400
 41
 42 Winston-Salem State University
 43 Student Services/Cafeteria/Student Union Complex
 44 6,073,350

1	Renovations	to	O'Kelly	Library
2	1,119,500			
3				
4	North Carolina School of Science and Mathematics			
5	Educational	Technologies	Center	and Auditorium
6	8,073,700			
7				
8	UNC Center for Public Television			
9	Improvements to Facilities			
10	<u>6,000,000</u>			
11				
12	Total			
13				\$
14	298,000,000			
15				

16 (e) Loans for construction and renovation of State buildings. The sum of one
17 hundred fifty million dollars (\$150,000,000) of the proceeds of bonds and notes shall be
18 allocated and used for loans from the "State Buildings Bonds Fund" for construction
19 and renovation of State buildings.

20 The proceeds of bonds and notes, including premium thereon, if any, except
21 the proceeds of bonds the issuance of which has been anticipated by bonds anticipation
22 notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer
23 in a special fund to be designated the "State Buildings Bonds Fund", which may include
24 such appropriate special accounts therein as may be determined by the State Treasurer,
25 and shall be disbursed as provided in this act.

26 Sec. 6. Allocation of proceeds of bonds and notes. The proceeds of the
27 bonds and notes shall be allocated and expended as provided in this act.

28 Any additional moneys which may be received by means of a grant or grants
29 from the United States of America or any agency or department thereof or from any
30 other source for deposit to the State Clean Water Bond Fund may be placed in the State
31 Clean Water Bond Fund or in a separate account or fund and shall be disbursed, to the
32 extent permitted by the terms of such grant or grants, without regard to any limitations
33 imposed by this act.

34 The proceeds of bonds and notes may be used with any other moneys made
35 available by the General Assembly for making loans authorized by this act, including
36 the proceeds of any other State bond issues, whether heretofore made available or which
37 may be made available at the session of the General Assembly at which this act is
38 ratified or any subsequent sessions. The proceeds of bonds and notes shall be expended
39 and disbursed under the direction and supervision of the Director of the Budget. The
40 funds provided by this act shall be disbursed for the purposes provided in this act upon
41 warrants drawn on the State Treasurer by the State Controller, which warrants shall not
42 be drawn until requisition has been approved by the Director of the Budget and which
43 requisition shall be approved only after full compliance with the Executive Budget Act,

1 Article 1 of Chapter 143 of the General Statutes, as it may be amended from time to
2 time.

3 Sec. 7. Election. The questions of the issuance of the bonds authorized by
4 this act shall be submitted to the qualified voters of the State at an election to be held on
5 a date to be fixed by the Governor, but in any event not later than the first Tuesday after
6 the first Monday of November 1993. Any other primary, election, or referendum
7 validly called or scheduled by law at the time the election on the bond questions
8 provided for in this section is held may be held as called or scheduled. Notice of the
9 election on the bond questions shall be given by publication twice in a newspaper or
10 newspapers having general circulation in each county in the State, and the election and
11 the registration of voters therefor shall be held under and in accordance with the general
12 laws of the State. Absentee ballots shall be authorized in the election.

13 The State Board of Elections shall reimburse the counties of the State for all
14 necessary expenses incurred in holding the election which are in addition to those which
15 would have otherwise been incurred, the same to be paid out of the Contingency and
16 Emergency Fund or other funds available to the State Board of Elections.

17 Voting machines, ballots, or both may be used in accordance with rules
18 prescribed by the State Board of Elections. The bond questions to be used in the voting
19 machines and ballots shall be in substantially the following forms:

20 " FOR the issuance of one hundred fifty million dollars (\$150,000,000)
21 State of North Carolina Clean Water Bonds constituting general
22 obligation bonds of the State secured by a pledge of the faith and credit
23 and taxing power of the State for the purpose of providing funds, with
24 any other available funds, to make loans to assist local government
25 units in paying the costs of clean water projects.

26 AGAINST the issuance of one hundred fifty million dollars
27 (\$150,000,000) State of North Carolina Clean Water Bonds
28 constituting general obligation bonds of the State secured by a pledge
29 of the faith and credit and taxing power of the State for the purpose of
30 providing funds, with any other available funds, to make loans to assist
31 local government units in paying the costs of clean water projects.

32 FOR the issuance of six hundred million dollars (\$600,000,000) State
33 of North Carolina Public School Facilities Bonds constituting general
34 obligation bonds of the State secured by a pledge of the faith and credit
35 and taxing power of the State for the purpose of providing funds, with
36 any other available funds, to make loans to assist local government
37 units in paying the costs of public school projects.

38 AGAINST the issuance of six hundred million dollars (\$600,000,000)
39 State of North Carolina Public School Facilities Bonds constituting
40 general obligation bonds of the State secured by a pledge of the faith
41 and credit and taxing power of the State for the purpose of providing
42 funds, with any other available funds, to make loans to assist local
43 government units in paying the costs of public school projects.

1 [] FOR the issuance of two hundred eighty-nine million dollars
2 (\$289,000,000) State of North Carolina Community College Facilities
3 Bonds constituting general obligation bonds of the State secured by a
4 pledge of the faith and credit and taxing power of the State for the
5 purpose of providing funds, with any other available funds, to make
6 loans to assist local government units in paying the costs of
7 community college facility projects.

8 [] AGAINST the issuance of two hundred eighty-nine million dollars
9 (\$289,000,000) State of North Carolina Community College Facilities
10 Bonds constituting general obligation bonds of the State secured by a
11 pledge of the faith and credit and taxing power of the State for the
12 purpose of providing funds, with any other available funds, to make
13 loans to assist local government units in paying the costs of
14 community college facility projects.

15 [] FOR the issuance of two hundred ninety-eight million dollars
16 (\$298,000,000) State of North Carolina Higher Education Facilities
17 Bonds constituting general obligation bonds of the State secured by a
18 pledge of the faith and credit and taxing power of the State for the
19 purpose of providing funds, with any other available funds, to make
20 loans for the costs of higher education projects.

21 [] AGAINST the issuance of two hundred ninety-eight million dollars
22 (\$298,000,000) State of North Carolina Higher Education Facilities
23 Bonds constituting general obligation bonds of the State secured by a
24 pledge of the faith and credit and taxing power of the State for the
25 purpose of providing funds, with any other available funds, to make
26 loans for the costs of higher education projects.

27 [] FOR the issuance of one hundred fifty million dollars (\$150,000,000)
28 State of North Carolina State Buildings Bonds constituting general
29 obligation bonds of the State secured by a pledge of the faith and credit
30 and taxing power of the State for the purpose of providing funds, with
31 any other available funds, to make loans for the costs of construction
32 and renovation of State buildings.

33 [] AGAINST the issuance of one hundred fifty million dollars
34 (\$150,000,000) State of North Carolina State Buildings Bonds
35 constituting general obligation bonds of the State secured by a pledge
36 of the faith and credit and taxing power of the State for the purpose of
37 providing funds, with any other available funds, to make loans for the
38 costs of construction and renovation of State buildings."

39 If a majority of those voting on the bond question in the election vote in favor
40 of the issuance of the bonds, such bonds may be issued as herein provided. If a majority
41 of those voting on the bond question in the election shall vote against the issuance of the
42 bonds, such bonds shall not be issued.

43 The results of the election shall be canvassed and declared as provided by law
44 for the holding of elections for State Officers and the results thereof certified by the

1 State Board of Elections to the Secretary of State, in the manner and at the time
2 provided by the general election laws of the State.

3 Sec. 8. Issuance of bonds and notes. (a) Terms and conditions. Bonds or notes
4 may bear such date or dates, may be serial or term bonds or notes, or any combination
5 thereof, may mature in such amounts and at such time or times, not exceeding 30 years
6 from their date or dates, may be payable at such place or places, either within or without
7 the United States of America, in such coin or currency of the United States of America
8 as at the time of payment is legal tender for payment of public and private debts, may
9 bear interest at such rate or rates, which may vary from time to time, and may be made
10 redeemable before maturity, at the option of the State or otherwise as may be provided
11 by the State, at such price or prices, including a price less than the face amount of the
12 bonds or notes, and under such terms and conditions, all as may be determined by the
13 State Treasurer, by and with the consent of the Council of State.

14 (b) Signatures; form and denomination; registration. Bonds or notes may be
15 issued as certificated or uncertificated obligations. If issued as certificated obligations,
16 bonds or notes shall be signed on behalf of the State by the Governor or shall bear his
17 facsimile signature, shall be signed by the State Treasurer or shall bear his facsimile
18 signature, and shall bear the Great Seal of the State or a facsimile thereof shall be
19 impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the
20 Governor and the State Treasurer, the bonds or notes shall also bear a manual signature
21 which may be that of a bond registrar, trustee, paying agent, or designated assistant of
22 the State Treasurer. Should any officer whose signature or facsimile signature appears
23 on bonds or notes cease to be such officer before the delivery of the bonds or notes, the
24 signature or facsimile signature shall nevertheless have the same validity for all
25 purposes as if the officer had remained in office until delivery and bonds or notes may
26 bear the facsimile signatures of persons who at the actual time of the execution of the
27 bonds or notes shall be the proper officers to sign any bond or note although at the date
28 of the bond or note such persons may not have been such officers. The form and
29 denomination of bonds or notes, including the provisions with respect to registration of
30 the bonds or notes and any system for their registration, shall be as the State Treasurer
31 may determine in conformity with this act; provided, however, that nothing in this act
32 shall prohibit the State Treasurer from proceeding, with respect to the issuance and form
33 of the bonds or notes, under the provisions of Chapter 159E of the General Statutes, the
34 Registered Public Obligations Act, as well as under this act.

35 (c) Manner of sale; expenses. Subject to determination by the Council of State as
36 to the manner in which bonds or notes shall be offered for sale, whether at public or
37 private sale, whether within or without the United States of America, and whether by
38 publishing notices in certain newspapers and financial journals, mailing notices, inviting
39 bids by correspondence, negotiating contracts of purchase or otherwise, the State
40 Treasurer is authorized to sell bonds or notes at one time or from time to time at such
41 rate or rates of interest, which may vary from time to time, and at such price or prices,
42 including a price less than the face amount of the bonds or the notes, as the State
43 Treasurer may determine. All expenses incurred in preparation, sale, and issuance of

1 bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes
2 or other available moneys.

3 (d) Notes; repayment.

4 (1) By and with the consent of the Council of State, the State Treasurer is
5 hereby authorized to borrow money and to execute and issue notes of
6 the State for the same, but only in the following circumstances and
7 under the following conditions:

- 8 a. For anticipating the sale of bonds to the issuance of which the
9 Council of State shall have given consent, if the State Treasurer
10 shall deem it advisable to postpone the issuance of the bonds;
11 b. For the payment of interest on or any installment of principal of
12 any bonds then outstanding, if there shall not be sufficient funds
13 in the State treasury with which to pay the interest or
14 installment of principal as they respectively become due;
15 c. For the renewal of any loan evidenced by notes herein
16 authorized;
17 d. For the purposes authorized in this act; and
18 e. For refunding bonds or notes as herein authorized.

19 (2) Funds derived from the sale of bonds or notes may be used in the
20 payment of any bond anticipation notes issued under this act. Funds
21 provided by the General Assembly for the payment of interest on or
22 principal of bonds shall be used in paying the interest on or principal
23 of any notes and any renewals thereof, the proceeds of which shall
24 have been used in paying interest on or principal of the bonds.

25 (e) Refunding bonds and notes. By and with the consent of the Council of
26 State, the State Treasurer is authorized to issue and sell refunding bonds and notes
27 pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding
28 bonds or notes issued pursuant to this act. The refunding bonds and notes may be
29 combined with any other issues of State bonds and notes similarly secured.

30 (f) Tax exemption. Bonds and notes shall be exempt from all State, county,
31 and municipal taxation or assessment, direct or indirect, general or special, whether
32 imposed for the purpose of general revenue or otherwise, excluding inheritance and gift
33 taxes and income taxes on the gain from the transfer of bonds and notes. The interest on
34 bonds and notes shall not be subject to taxation as to income.

35 (g) Investment eligibility. Bonds and notes are hereby made securities in
36 which all public officers, agencies, and public bodies of the State and its political
37 subdivisions, all insurance companies, trust companies, investment companies, banks,
38 savings banks, savings and loan associations, credit unions, pension or retirement funds,
39 other financial institutions engaged in business in the State, executors, administrators,
40 trustees, and other fiduciaries may properly and legally invest funds, including capital in
41 their control or belonging to them. Bonds and notes are hereby made securities which
42 may properly and legally be deposited with and received by any officer or agency of the
43 State or political subdivision of the State for any purpose for which the deposit of

1 bonds, notes, or obligations of the State or any political subdivision is now or may
2 hereafter be authorized by law.

3 (h) Faith and credit. The faith and credit and taxing power of the State are
4 hereby pledged for the payment of the principal of and the interest on bonds and notes.
5 In addition to the State's right to amend any provision of this act to the extent it does not
6 impair any contractual right of a bond owner, the State expressly reserves the right to
7 amend any provision of this act with respect to the making and repayment of loans, the
8 disposition of any repayments of loans, and any intercept provisions relating to the
9 failure of a local government unit to repay a loan, the bonds not being secured in any
10 respect by loans, any repayments thereof, or any intercept provisions with respect
11 thereto.

12 Sec. 9. Variable interest rates. In fixing the details of bonds and notes, the
13 State Treasurer may provide that any of the bonds or notes may:

- 14 (1) Be made payable from time to time on demand or tender for purchase
15 by the owner thereof provided a credit facility supports the bonds or
16 notes, unless the State Treasurer specifically determines that a credit
17 facility is not required upon a finding and determination by the State
18 Treasurer that the absence of a credit facility will not materially or
19 adversely affect the financial position of the State and the marketing of
20 the bonds or notes at a reasonable interest cost to the State;
- 21 (2) Be additionally supported by a credit facility;
- 22 (3) Be made subject to redemption or a mandatory tender for purchase
23 prior to maturity;
- 24 (4) Bear interest at a rate or rates that may vary for such period or periods
25 of time, all as may be provided in the proceedings providing for the
26 issuance of the bonds or notes, including, without limitation, such
27 variations as may be permitted pursuant to a par formula; and
- 28 (5) Be made the subject of a remarketing agreement whereby an attempt is
29 made to remarket bonds or notes to new purchasers prior to their
30 presentment for payment to the provider of the credit facility or to the
31 State.

32 If the aggregate principal amount repayable by the State under a credit facility
33 is in excess of the aggregate principal amount of bonds or notes secured by the credit
34 facility, whether as a result of the inclusion in the credit facility of a provision for the
35 payment of interest for a limited period of time or the payment of a redemption
36 premium or for any other reason, then the amount of authorized but unissued bonds or
37 notes during the term of such credit facility shall not be less than the amount of such
38 excess, unless the payment of such excess is otherwise provided for by agreement of the
39 State executed by the State Treasurer.

40 Sec. 10. Special provisions governing loans. (a) Definition. "Receiving agency"
41 means the agency charged with responsibility by this act to administer loans of the
42 proceeds of bonds authorized by this act, other than State Clean Water Bonds, as
43 follows:

- 44 (1) For Public School Facilities Bonds, the State Board of Education.

- 1 (2) For Community College Facilities Bonds, the State Board of
2 Community Colleges.
- 3 (3) For Higher Education Facilities Bonds, the Board of Governors of The
4 University of North Carolina.
- 5 (4) For State Buildings Bonds, the Department of Administration.
- 6 (b) Loan Fund.
- 7 (1) There is established in the Department of State Treasurer a fund to be
8 known as the Public Facilities and Infrastructure Loan Fund. The
9 various accounts of the Fund shall be administered as required and
10 provided for in this act. The funds in the various accounts may be
11 invested in the same manner permitted for investments of funds
12 belonging to the State or held in the State treasury. Interest earnings
13 derived from these investments shall be credited to the respective
14 accounts from which funds were used to make the loans.
- 15 (2) Distribution of funds. All appropriated or bond funds accruing to each
16 account of the Public Facilities and Infrastructure Loan Fund, other
17 than funds set aside for administrative expenses, including expenses
18 related to determining compliance with applicable requirements of the
19 federal tax law and costs of issuance, shall be used for loans for the
20 purposes provided in this act.
- 21 (3) The maximum principal amount of a loan may be one hundred percent
22 (100%) of the cost of any eligible project.
- 23 (4) The State Treasurer shall be responsible for investing and distributing
24 all funds appropriated or accruing to the Public Facilities and
25 Infrastructure Loan Fund. Subject to any applicable requirements of
26 the federal tax law, the State Treasurer shall arrange for the funds to
27 be transferred from the appropriate accounts to a local government unit
28 or community college or shall invest the funds as authorized by this act
29 with the interest on and the principal of the investments to be
30 transferred to the local government unit or community college to
31 provide funds for one or more loans.
- 32 (c) Application for Loans; Hearings.
- 33 (1) Hearings.
- 34 a. Local Government Units. Prior to filing an application for a
35 loan, a local government unit shall hold a public hearing. A
36 notice of the public hearing shall be published once at least 10
37 days before the date fixed for the hearing.
- 38 b. Hearing by Receiving Agency. A public hearing may be held
39 by the receiving agency or the Local Government Commission
40 at any time on any application. Public hearings may also be
41 held by the receiving agency upon written request from any
42 citizen or taxpayer who is a resident of the county in which the
43 project is to be located if it appears that the public interest will
44 be served by the hearing. The written request will set forth each

1 objection to the proposed project or other reason for requesting
2 a hearing on the application and shall contain the name and
3 address of the persons submitting it. The receiving agency may
4 consider all written objections to the proposed project and other
5 statements along with the application including any significant
6 considerations on facility needs and shall determine if the
7 public interest will be served by a hearing. The determination
8 by the receiving agency will be conclusive and all written
9 requests for a hearing shall be and retained as a permanent part
10 of the records pertaining to the application.

11 (2) Application. All applications for loans shall be filed with the
12 designated receiving agency. If the application is denied, the
13 application shall then be considered at the next available period. All
14 applications approved by the receiving agency shall be filed with the
15 Local Government Commission. Each applicant shall furnish
16 information in addition to the information contained in its application
17 upon request.

18 (3) Eligibility – Local Loans. No local government unit shall be eligible
19 for a loan unless it demonstrates all of the following to the satisfaction
20 of the receiving agency:

- 21 a. The applicant is a local government unit.
- 22 b. The applicant has the financial capacity to pay the principal of
23 and interest on its proposed obligations and loans, as evidenced
24 by the approval of the Local Government Commission.
- 25 c. The applicant has substantially complied or will substantially
26 comply with all applicable laws, rules, regulations, and
27 ordinances, whether federal, State, or local.
- 28 d. The applicant has agreed by official resolution to adopt and
29 place into effect on or before completion a schedule of fees and
30 charges or the application of other sources of revenue that will
31 provide adequate funds for proper operation, maintenance, and
32 administration of the project and repayment of all principal and
33 interest on loans. To be eligible to receive the loans provided
34 for in this act, local government units shall arrange to borrow
35 the amounts necessary pursuant to rules adopted by the Local
36 Government Commission.

37 (4) Eligibility – State Facilities Loans.

- 38 a. No community college shall be eligible for a loan unless it
39 demonstrates the capital project's financing feasibility in light of
40 the community college's appropriations and revenue history and
41 projections.
- 42 b. No application for a loan from the proceeds of Higher
43 Education Facilities Bonds and notes shall be considered or

- 1 approved unless provision is made for its repayment from funds
2 derived from tuition increases.
- 3 (5) Assessment. Every applicant shall file with its application an
4 assessment of the impact the project for which the funds are sought
5 will have upon meeting the facility needs of the area within which the
6 project is to be located.
- 7 (6) Voter Approval – Local Loans. A petition, demanding that the
8 question of whether a local government unit shall enter into a loan
9 agreement with the State under this act be submitted to voters, may be
10 filed with the clerk of the local government unit within 30 days after
11 the public hearing required by the local government unit. The
12 petition's sufficiency shall be determined and a referendum, if any,
13 shall be conducted, according to the standards, procedures, and
14 limitations set out in G.S. 159-60 through G.S. 159-62.
- 15 (d) Priorities.
- 16 (1) Determination. Determination of priorities to be assigned each eligible
17 application shall be made semiannually by each receiving agency
18 during each fiscal year. Every eligible application shall be considered
19 by the receiving agency with every other application eligible during
20 the same priority period.
- 21 (2) Priority Factors. All applications for loans under this act shall be
22 assigned a priority by the receiving agency. The receiving agency
23 shall establish by rule the priority factors criteria.
- 24 (3) Assignment of Priority. A written statement relative to each priority
25 assigned shall be prepared by the receiving agency and shall be
26 attached to the receiving application. The priority assigned shall be
27 conclusive.
- 28 (4) Failure to Qualify. If an application does not qualify for a loan as of
29 the prior period in which the application was eligible for consideration
30 by reason of the priority assigned, the application shall be considered
31 during the next succeeding priority period upon request of the
32 applicant. If the application again fails to qualify for a loan during the
33 second priority period by reason of the priority assigned, the
34 application shall receive no further consideration. An applicant may
35 file a new application at any time and may amend any pending
36 application to include additional data or information.
- 37 (5) Withdrawal of Commitment. Failure of an applicant within one year
38 after the date of acceptance of the loan to arrange for necessary
39 financing of the proposed project or award of the contract of the
40 construction of the proposed project shall constitute sufficient cause
41 for withdrawal of the commitment. Prior to withdrawal of a
42 commitment, the receiving agency shall give due consideration to any
43 extenuating circumstances presented by the applicant as reasons for
44 failure to arrange necessary financing or to award a contract, and the

1 commitment may be extended for an additional period of time if, in the
2 judgment of the receiving agency, the extension is justified.

3 (e) Disbursement. No funds shall be disbursed until the receiving agency
4 gives a certificate of eligibility to the effect that the applicant meets all eligibility
5 criteria and that all procedural requirements of this act have been met.

6 (f) Payment of Loans.

7 (1) The State Treasurer, with the approval of the Local Government
8 Commission and consistent with the provisions of this act, shall
9 by adoption of appropriate rules provide for the repayment of
10 and interest rates of such loans. Notwithstanding any other
11 provision of law, the interest rate shall reflect all financing,
12 issuance, and administrative costs. Rules adopted under this act
13 shall reflect the self-supporting nature of the loan program.

14 (2) Facilities and Improvement. In the event repayment of a loan is
15 not received or is in apparent likelihood of not being received in
16 a timely manner from a local government unit, as determined
17 conclusively by the State Treasurer, then notwithstanding
18 anything herein or in the provisions of any other law to the
19 contrary, upon determination by the State Treasurer of the
20 default, any distributions which might otherwise be made to a
21 local government unit from any funds of the State shall be
22 withheld and used, as required, in payment of loans until notice
23 from the State Treasurer that the local government unit is no
24 longer in default.

25 In the event repayment of a loan is not received or is in
26 apparent likelihood of not being received in a timely manner
27 from the State agency that originally received the loan, as
28 determined conclusively by the State Treasurer, then,
29 notwithstanding anything herein or in the provisions of any
30 other law to the contrary, upon determination by the State
31 Treasurer as to the default or likely default, the Treasurer shall
32 notify the Director of the Budget to take immediate steps to
33 make available other funds and or distributions, which might
34 otherwise be made to the State agency that originally received
35 the loan, for repayment of the loan. These funds may include
36 appropriations and unrestricted revenues statutorily designated
37 for the agency.

38 (g) Intercept – Local Loans. The governing body of a local government unit
39 or community college may include in its resolution authorizing a loan pursuant to this
40 section a provision authorizing the State Treasurer, upon failure of the local government
41 unit or community college to make a scheduled repayment of the loan, to withhold from
42 the local government unit or community college any State funds that would otherwise
43 be distributed to the local government unit or community college in an amount
44 sufficient to pay all sums then due and payable to the State as a repayment of such loan.

1 In such event, notwithstanding any other provision of law, the State Treasurer shall be
2 authorized to withhold and apply such funds to the repayment of the loan, except, that
3 the funds shall not be withheld if the source of the funds to be withheld secures special
4 obligation bonds or other obligations of the local government unit or community
5 college.

6 The State Treasurer shall notify the Secretary of Revenue or other appropriate
7 State agency and the State Controller of the amount to be withheld from the local
8 government unit or community college, and the Secretary of Revenue and the State
9 Controller shall transfer to the State Treasurer the amount so requested to be applied by
10 the State Treasurer to the repayment of the loan.

11 (h) Inspection. Inspection of a project for which a loan has been made under
12 this act may be performed by qualified personnel of the receiving agency or may be
13 performed by qualified engineers registered in this State approved by the receiving
14 agency. No person shall be approved to perform inspections who is an officer
15 employed by the local government unit or community college to which the loan was
16 made or who is an owner, officer, employer, or agent of a contractor or subcontractor
17 engaged in the construction of the project for which the loan was made. For the purpose
18 of payment of inspection fees, inspection services shall be included in the term
19 "construction cost" as used in this act.

20 (i) Rules. The State Treasurer, the Local Government Commission, and
21 receiving agencies may adopt, modify, and repeal rules necessary for the administration
22 of their respective duties under this act. Uniform rules may be jointly adopted where
23 feasible and desirable, and no rule, jointly adopted, may be modified or revoked except
24 upon concurrence of all agencies involved.

25 (j) Federal Grants and Loans. In order to carry out the purposes of this act to
26 secure the greatest possible benefits to the citizens of this State of the funds
27 appropriated, the departments and receiving agencies shall adopt rules and criteria, not
28 inconsistent with provisions of this act, as are necessary and appropriate to conform to
29 regulations for federal grants and loans for any of the purposes set forth in this act.

30 (k) Reports. The receiving agencies shall prepare and file each year on or
31 before July 31 with the Joint Legislative Commission on Governmental Operations a
32 consolidated report for the preceding fiscal year concerning the allocation of loans
33 authorized by this act. The report shall set forth for the preceding fiscal year itemized
34 and total allocations of loans authorized and unallocated funds on hand in each as of the
35 end of the preceding fiscal year; identification of each loan made by the receiving
36 agency during the preceding fiscal year; the total amount of the loans the sums actually
37 paid during the preceding fiscal year to each loan and to each loan previously
38 committed but unpaid; the total loans paid during the preceding fiscal year; and
39 summary for all preceding years and the total number of the loans made and the total
40 funds committed to the loans and the total sum actually paid to the loans and grants.

41 The report shall be signed by each of the chief executive officers of the
42 receiving agencies preparing the report.

43 (l) Local Government Commission.

- 1 (1) Local government units and community colleges may execute debt
2 instruments payable to the State in order to obtain loans provided for
3 in this act. Local government units and community colleges shall
4 pledge or agree to apply as security for such obligations:
- 5 a. Any available source of revenues of the local government unit
6 or community college, including revenues from benefitted
7 facilities or systems, provided that (i) the local government unit
8 or community college has not otherwise pledged such revenues
9 as security for, or agreed to apply such revenues to, the payment
10 of any other obligations of the local government unit or
11 community college, (ii) the use of revenues is not otherwise
12 restricted by law, or (iii) with respect to obligations of a local
13 government unit, the revenues are not derived from the exercise
14 of the local government unit's taxing power; or
- 15 b. With respect to local government units, their faith and credit; or
- 16 c. Any combination of a. and b. above. The faith and credit of
17 local government units shall not be pledged or be deemed to
18 have been pledged unless the requirements of Article 4 of
19 Chapter 159 of the General Statutes have been met. The State
20 Treasurer, with the assistance of the Local Government
21 Commission, shall develop and adopt appropriate debt
22 instruments for use under this act. The Local Government
23 Commission shall develop and adopt appropriate procedures for
24 the delivery of debt instruments to the State without any public
25 bidding therefor.
- 26 (2) Nothing contained in this act shall prohibit any local government unit
27 from applying any funds of the local government unit not otherwise
28 restricted as to use by law to the payment of any debt instrument
29 payable to the State incurred pursuant to the provisions of this act.
- 30 (3) The Local Government Commission shall review and approve
31 proposed loans to local government units and community colleges
32 under this act under the provisions of Articles 4 and 5 of Chapter 159
33 of the General Statutes. The Local Government Commission in
34 considering the ability of a local government unit or community
35 college to repay a loan may regard as a source of revenue for
36 repayment of a loan revenue sources that may not be available other
37 than on an annual discretionary basis and that may not be subject to a
38 pledge or agreement to apply. Loans under this act shall be
39 outstanding debts for the purposes of Article 10 of Chapter 159 of the
40 General Statutes.
- 41 (m) The Council of State shall review and approve proposed loans from the
42 proceeds of Higher Education Facilities Bonds and notes, and State Buildings Bonds
43 and notes.

1 (n) The State Treasurer shall annually certify to the General Assembly the
2 financial condition of the loan program and identify existing delinquencies.

3 Sec. 11. Interpretation of act. (a) Additional Method. The foregoing sections of
4 this act shall be deemed to provide an additional and alternative method for the doing of
5 the things authorized thereby and shall be regarded as supplemental and additional to
6 powers conferred by other laws, and shall not be regarded as in derogation of any
7 powers now existing.

8 (b) Statutory References. References in this act to specific sections or Chapters
9 of the General Statutes or to specific acts are intended to be references to these sections,
10 Chapters, or acts as they may be amended from time to time by the General Assembly.

11 (c) Liberal Construction. This act, being necessary for the health and welfare of
12 the people of the State, shall be liberally construed to effect the purposes thereof.

13 (d) Inconsistent Provisions. Insofar as the provisions of this act are inconsistent
14 with the provisions of any general laws, or parts thereof, the provisions of this act shall
15 be controlling.

16 (e) Severability. If any provision of this act or the application thereof to any
17 person or circumstance is held invalid, such invalidity shall not affect other provisions
18 or applications of the act which can be given effect without the invalid provision or
19 application, and to this end the provisions of this act are declared to be severable.

20 Sec. 12. Effective date. This act is effective upon ratification.